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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-831]

Fresh Garlic from the People's Republic of China: Initiation of Changed Circumstances Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (the Department) received information sufficient to warrant initiation of a changed circumstances review of the antidumping duty order on fresh garlic from the People's Republic of China (PRC). Based upon a request filed by Lanling Qingshui Vegetable Foods Co., Ltd. (Lanling Qingshui), the Department intends to determine in this review whether Lanling Qingshui is the successor-in-interest of Cangshan Qingshui Vegetable Foods Co., Ltd. (Cangshan Qingshui), a producer/exporter examined in prior administrative reviews of the order.¹

DATES: EFFECTIVE DATE: (INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*).

FOR FURTHER INFORMATION CONTACT: Myrna Lobo at (202) 482-2371 or Jacky Arrowsmith at (202) 482-5255, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

¹ See *Antidumping Duty Order: Fresh Garlic From the People's Republic of China*, 59 FR 59209 (November 16, 1994) (*Order*).

SUPPLEMENTARY INFORMATION:

Background

On November 16, 1994, the Department published notice of the *Order* in the *Federal Register*.² On September 5, 2014, Lanling Qingshui requested that the Department conduct a changed circumstances review pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act), 19 CFR 351.216 and 19 CFR 351.221(c)(3), to determine that it is the successor-in-interest to Cangshan Qingshui for purposes of the *Order*. In its request, Lanling Qingshui provided its business licenses before and after the name change, a government document indicating the county name change which led to the company's name change, and information on its ownership and customers. We received no comments from other interested parties.

Scope of the Order

The products covered by the order are all grades of garlic, whole or separated into constituent cloves, whether or not peeled, fresh, chilled, frozen, water or other neutral substance, but not prepared or preserved by the addition of other ingredients or heat processing. The differences between grades are based on color, size, sheathing, and level of decay. The scope of the order does not include the following: (a) Garlic that has been mechanically harvested and that is primarily, but not exclusively, destined for non-fresh use; or (b) garlic that has been specially prepared and cultivated prior to planting and then harvested and otherwise prepared for use as seed. The subject merchandise is used principally as a food product and for seasoning. The subject garlic is currently classifiable under subheadings: 0703.20.0000, 0703.20.0010, 0703.20.0015, 0703.20.0020, 0703.20.0090, 0710.80.7060, 0710.80.9750, 0711.90.6000,

² See *id.*

0711.90.6500, 2005.90.9500, 2005.90.9700, 2005.99.9700, and of the Harmonized Tariff Schedule of the United States (HTSUS).

Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of the order is dispositive. In order to be excluded from the order, garlic entered under the HTSUS subheadings listed above that is (1) mechanically harvested and primarily, but not exclusively, destined for non-fresh use or (2) specially prepared and cultivated prior to planting and then harvested and otherwise prepared for use as seed must be accompanied by declarations to U.S. Customs and Border Protection to that effect.

Initiation of Changed Circumstances Review

Pursuant to section 751(b)(1) of the Act, the Department will conduct a changed circumstances review upon receipt of information concerning, or a request from, an interested party for a review of an antidumping duty order which shows changed circumstances sufficient to warrant a review of the order. In accordance with 19 CFR 351.216(d), the Department determines that the information submitted by Lanling Qingshui constitutes sufficient evidence to conduct a changed circumstances review of the *Order*.

In a changed circumstances review involving a successor-in-interest determination, the Department typically examines several factors including, but not limited to, changes in: (1) management; (2) production facilities; (3) supplier relationships; and (4) customer base.³ While no single factor or combination of factors will necessarily be dispositive, the Department generally will consider the new company to be the successor to the predecessor if the resulting operations are essentially the same as those of the predecessor company.⁴ Thus, if the record

³ See, e.g., *Certain Activated Carbon From the People's Republic of China: Notice of Initiation of Changed Circumstances Review*, 74 FR 19934, 19935 (April 30, 2009).

⁴ See, e.g., *Notice of Initiation of Antidumping Duty Changed Circumstances Review: Certain Forged Stainless Steel Flanges from India*, 71 FR 327 (January 4, 2006).

demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as the predecessor company, the Department may assign the new company the cash deposit rate of its predecessor.⁵

Based on the information provided in its submission, Lanling Qingshui provided sufficient evidence to warrant a review to determine if it is the successor-in-interest to Cangshan Qingshui. Therefore, pursuant to section 751(b)(1) of the Act and 19 CFR 351.216(d), we are initiating a changed circumstances review. However, the Department finds it is necessary to issue a questionnaire requesting additional information for this review, as provided for by 19 CFR 351.221(b)(2). For that reason, the Department is not conducting this review on an expedited basis by publishing preliminary results in conjunction with this notice of initiation. The Department will publish in the *Federal Register* a notice of the preliminary results of the changed circumstances review in accordance with 19 CFR 351.221(b)(4) and 19 CFR 351.221(c)(3)(i). That notice will set forth the factual and legal conclusions upon which our preliminary results are based and a description of any action proposed.

Pursuant to 19 CFR 351.221(b)(4)(ii), interested parties will have an opportunity to comment on the preliminary results of review. In accordance with 19 CFR 351.216(e), the Department intends to issue the final results of its antidumping duty changed circumstances review not later than 270 days after the date on which the review is initiated, or not later than 45 days if all parties to the proceeding agree to the outcome of the review.

During the course of this changed circumstances review, we will not change the cash deposit requirements for the merchandise subject to review. The cash deposit will only be altered, if warranted, pursuant to the final results of this review.

⁵ See, e.g., *Fresh and Chilled Atlantic Salmon From Norway; Final Results of Changed Circumstances Antidumping Duty Administrative Review*, 64 FR 9979, 9980 (March 1, 1999).

This notice is published in accordance with sections 751(b)(l) and 777(i)(l) of the Act and 19 CFR 351.216(b) and 351.221(b)(1).

Christian Marsh,
Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations.

October 16, 2014_
(Date)

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